

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6499-01
Bill No.: HB 2249
Subject: Office of Administration; State Departments
Type: Original
Date: April 14, 2014

Bill Summary: This proposal specifies that the government accountability portal show itemized agency purchases over \$250.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$4,936,600)	(\$1,756,850)	(\$1,800,771)
Total Estimated Net Effect on General Revenue Fund	(\$4,936,600)	(\$1,756,850)	(\$1,800,771)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration's Information Technology Services Division (ITSD)** assume this proposal would require ITSD to modify the Missouri Accountability Portal (MAP) to provide an itemized list of all purchases made, equal to or more than \$250 made by any state agency. This list would provide information on the item purchased, the purchase price, the division or level of the organization purchasing the item, and the purpose for such item. In addition, ITSD would need to have a system developed to capture the data that is not currently captured in the state-wide accounting system (SAM II).

SAM II does not capture the information required by this proposal for every transaction. It is assumed that an automated solution would be necessary to capture the data so that it could be reported in MAP. An E-Procurement solution would need to be implemented at an estimated cost in excess of \$4,936,000 for the first year and ongoing cost of \$1,756,850 beginning in FY 2016. This would capture the required information for most transactions, but there may be some transactions that would still require a manual process.

Officials at the **Department of Agriculture**, the **Department of Corrections**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Public Safety**, the **Department of Public Safety's Capitol Police**, the **Department of Revenue**, the **Department of Social Services**, the **Missouri Department of Transportation**, the **Missouri Gaming Commission**, the **Missouri Highway Patrol** and the **Office of State Treasurer** each defer to the Office of Administration's Information Technology Services Division for fiscal impact.

Officials at the **Department of Health and Senior Services (DHSS)** assume all expenditures are currently posted to the accountability portal. The information available on the portal now includes all expenditures purchased by object code classification, the purchase price, and the vendor to whom the payment was sent. We assume that the division or level of organization field could come directly from SAM II after some programming from ITSD and that the purpose of the item will have to be manually developed since that information is not collected in our statewide accounting system (SAM II).

ASSUMPTION (continued)

The Division of Administration, Bureau of Financial Services would require one FTE, classification of Accounting Specialist II who will be responsible for pulling information from SAM II and working with the internal databases that will be required to add the additional information that is not in the SAM II system. This employee will work with department fiscal and Office of Administration staff to develop a process for gathering data and putting into the correct format for upload into the accountability portal. This will require a high level of expertise in SAM II, database design, and various computer files and layouts.

The Division of Administration's payroll costs are funded 8 percent from general revenue (GR), 87 percent from federal, and 5 percent from the Missouri Public Health Services (MOPHS) fund. The total salary associated with the Accounting Specialist II would be \$3,199 GR, \$34,786 from federal, and \$1,999 from the MOPHS fund.

We defer to the Office of Administration on the costs of adding this information to the accountability portal once it is provided to them.

Officials at the **Department of Conservation** assume the impact is unknown, but it is expected to be less than \$100,000 annually.

Officials at the **Office of the State Public Defender** assume this would require additional entry time by the accounting personnel to provide the required information in a format acceptable to ITSD.

Officials at the **Office of Prosecution Services (OPS)** assume the impact cannot be accurately determined. If an employee is required to document and explain every purchase, this could potentially divert the employee from his or her regular job duties as even a purchase of routine office supplies will sometimes exceed \$250. This would negatively impact OPS.

Officials at the **Office of Attorney General** assume that any potential costs can be absorbed. They may seek additional appropriation if the information required by ITSD is more that AGO currently maintains.

Officials at the **Missouri Veterans Commission** assume the impact to likely be zero.

Officials at the **Department of Public Safety's Division of Alcohol and Tobacco Control**, the **Department of Public Safety's Division of Fire Safety**, the **Missouri National Guard**, the **Office of the State Auditor**, the **Office of State Courts Administrator**, the **Office of the**

ASSUMPTION (continued)

Secretary of State and the **State Emergency Management Agency** each assume there is no fiscal impact to their respective organizations from this proposal.

Oversight assumes that ITSD will create a system that will allow the information entered into SAM II to be uploaded to the Missouri Accountability Portal. Oversight assumes the agencies would not be fiscally impacted.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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GENERAL REVENUE

Cost - Information Technology Services
Division - new computer program to
capture purchases greater than \$250

<u>(\$4,936,600)</u>	<u>(\$1,756,850)</u>	<u>(\$1,800,771)</u>
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE**

<u>(\$4,936,600)</u>	<u>(\$1,756,850)</u>	<u>(\$1,800,771)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires the Missouri Accountability Portal to display an itemized list of all purchases of \$250 or more made by a state agency. The list must provide information on the item purchased, the purchase price, the division or level of the organization purchasing the item, and the purpose for the item.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

JH:LR:OD

SOURCES OF INFORMATION

Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Public Safety
 Division of Alcohol and Tobacco Control
 Division of Fire Safety
 Capitol Police
Department of Revenue
Department of Social Services
Missouri Department of Transportation
Missouri Gaming Commission
Missouri Highway Patrol
Missouri National Guard
Missouri Veterans Commission
Office of Attorney General
Office of Prosecution Services
Office of the Secretary of State
Office of the State Auditor

SOURCES OF INFORMATION (continued)

Office of State Courts Administrator
Office of the State Public Defender
Office of State Treasurer
State Emergency Management Agency

Mickey Wilson, CPA
Director
April 14, 2014



Ross Strobe
Assistant Director
April 14, 2014